

**DELAWARE MANUFACTURED HOME RELOCATION AUTHORITY**

110 N. Main Street, Suite F  
Camden, DE 19934

**Minutes of September 25, 2018 Board Meeting**

**IN ATTENDANCE:**

Authority: Kevin Carroll  
William Dunn  
Andy Strine  
George Meldrum (Left Early)  
Elizabeth (Beth) McGinn (Absent)

Dan Daly (Non-Voting Member)  
Gregg Sutton (Executive Director)  
Jane Sabo (DEHMRA Assistant)

Legal Counsel: William Denman

Other Attendees: Susan Hairgrove, St. Jones Landing  
Michael Morton, Minquadale and Rehoboth Bay

**I. Call to Order:**

Mr. Carroll called the meeting to order at 1:30 p.m. All Board members except Ms. McGinn were present. Mr. Meldrum left at 2:30 p.m.

**II. Review and Approval of Minutes:**

Mr. Carroll asked the Board if anyone had any comments or corrections to the July 30, 2018 meeting minutes, and if not, requested that the Board consider approval of the minutes. Mr. Meldrum made a motion to approve which was seconded by Mr. Strine. The motion passed 4:0:1 with one in absentia.

**III. Executive Director's Report:**

Mr. Sutton noted that since the last board meeting, the following has occurred:

- Clear Trail Real Estate from Virginia purchased Magnolia Crossing on 6/30/18. They have contacted the Division of Revenue to register and are up to date with their assessment fees.
- Representative Baumbach's office requested copies of all arbitration appeals; the final count of which was 13 appeals. A spreadsheet of those appeals and status of the same was sent to Ms. Debbie Gottschalk.
- During the 2017-2018 Legislative Sessions, three (3) bills were passed relating to Chapter 70.
  1. House Bill 277 extends DEMHRA until 2024.
  2. House Bill 436 which allows landowners to charge above the CPI-U when new leases are negotiated with new tenants. A copy of House Bill 436 must be included with any rent increase notices going forward.

3. House Bill HR24 to form a Task Force whose responsibility will be to correct errors, make updates and/or changes to Chapter 70. The Chair is on that committee and will discuss in further detail in the Chair's Report.
- The invoice from Excel Business Systems was received and the amount of copies was over what was included in the contract. This was due in part to the additional copies made as a result of the closing of a few mobile home parks, the mailing of annual registration letters and forms, FOIA requests, etc. There is no way to determine how many copies will be made in any given time-frame. Renewal of the contract will be reviewed prior to the renewal in October 2019. There are other options available to save costs that can be investigated.
  - Board members were asked if the hard copies of the minutes could be eliminated to save costs. All agreed that they preferred hard copies, so the procedure will remain as is.

#### **IV. Chair's Report:**

- In regards to the Manufactured Housing Task Force, Mr. Carroll reported there were two meetings held to date. The first was to provide organization, work flow, meeting schedules, etc. The second meeting addressed the code. The goal is to make progress by the end of the year. These meetings are open to the public. At this point there is nothing substantial to report. There is another meeting scheduled for September 26 which will be a working session between the community owners and property owners. Mr. Sutton was asked to attend since Mr. Carroll will be calling in to the meeting.

#### **V. Financial Activity & Report**

##### **A. Financial Report**

Mr. Sutton provided a financial summary for July 2018. This report was for informational purposes only.

##### **B. Approval of Financial Matters:**

###### **Excel Business Systems:**

Mr. Strine made a motion to approve this invoice which was seconded by Mr. Meldrum. The motion Passed 4:0:1 with one in absentia.

###### **Legal Counsel invoices:**

The Board reviewed the invoices from Mr. Denman for the month of July 2018. Mr. Strine made a motion to approve the July legal counsel invoice which was seconded by Mr. Dunn. The motion passed 4:01 with one in absentia.

##### **C. Approval of Arbitrator Invoices**

- **R. Gibbs (Wild Meadows).** Mr. Strine made a motion to approve this invoice which was seconded by Mr. Meldrum. The motion passed 4:0:1 with one in absentia.
- **C. Lingenfelder (Layton's Riviera).** Mr. Strine made a motion to approve this invoice which was seconded by Mr. Meldrum. The motion passed 4:0:1 with one in absentia.

#### **VI. Reports:**

##### **A. Compliance Matters**

1. **Dackerg Mobile Home Park:** Mr. Denman sent a letter of non-compliance on 9/21/18.

2. **J & J Mobile Home Park:** Mr. Denman sent a letter of non-compliance on 9/21/18.
3. **Pine Haven:** Mr. Denman sent a letter of non-compliance on 9/21/18.
4. **Countryside:** Payment was received
5. **Fords MHP:** DEMHRA sent a letter on 8/15/18.
6. **Holiday Acres:** DEMHRA sent letter 8/15/18. They sent in their money but didn't send in coupons.
5. **Layton's Riviera:** Up-to-date on assessment fees.

**6. Compliance Investigator Report:**

- Mr. Dunn suggested sending our compliance investigator to those parks that continue to be delinquent in their assessments. Mr. Sutton sends our investigators to verify the number of homes.
- Our compliance investigator verified that Norris/Ekes mobile home is still at St. Jones Landing. The lady who owns it can't find the title. Mr. Sutton went to the DMV and someone else's name is on the title and they would not give him that information. Mr. Sutton was told by the DMV that the home is registered in Camden, not Magnolia.
- Our compliance officer verified that the home previously owned by Maris-Lindale (All American Capital) has been moved to Bridgeville. The title has All American Capital as the lienholder and Eric Hidalgo and Siomari Hidalgo as the owners.

**B. Arbitration Matters:**

1. **Docket # 4-2017 (Sandhill Acres HOA vs. ARCAP, LC)** Rent increase above CPI-U approved. Case appealed and awaiting a decision from Superior Court. The case is stayed as of 7/2/18 per Attorney Sharp.
2. **Docket # 9-2017 (Rehoboth Bay Community HOA vs. Hometown America)** Rent increase approved for \$74.85 plus CPI-U. Appealed to Superior Court March 31, 2018. No decision yet. Mr. Morton has asked DEMHRA to appoint a mediator and they are agreeing to advise the court a mediator is necessary to save everyone time and effort as the court has been sending a lot of cases back for remand. Mr. Carroll was in favor for saving money in the long term. Mr. Denman said DEMHRA must be notified if both parties agree to assign a mediator before DEMHRA approves it. He stated that mediation should not be encouraged but it has been very successful in resolving complex issues. As it stands now, the arbitrator makes the recommendation as to whether a mediator should be appointed. Mr. Carroll will bring this up at a future Task Force meeting. Mr. Morton will advise Judge Graves when the mediation is approved. Mr. Strine made a motion to approve a mediator and request Mr. Spence to include the mediator charges as part of the arbitrator expenses. The motion was seconded by Mr. Dunn. The motion carried 4:0:1 with one in absentia.
3. **Docket # 10-2017 (Wild Meadows HOA and Fred Neil vs. Wild Meadows MHC, LLC)** Arbitration scheduled for March 15, 2018. No decision yet and stayed per Attorney Gibbs.
4. **Docket # 1-2018 (Donovan Smith HOA vs. KDM Management)** Rent increase denied. Appealed to DE Superior Court May 23, 2018. No action yet.
5. **Docket # 2-2018 (Whitehouse Beach HOA vs. Whitehouse Beach Inc.)** As of 7/2/18 parties agree to settle. Attorney Gerber will send out confirmation.
6. **Training of Arbitrators:** Mr. Morton proposed that arbitrators should be trained as they are not familiar with the Statute. He suggested a CLE program be developed. It was agreed that Mr. Morton and Mr. Carroll will investigate this matter. Mr. Sutton questioned whether cost is a factor when appointing a mediator. Mr. Carroll suggested putting a list together and allowing the arbitrator to make the decision.

**C. Arbitration Costs:**

2017:

**1. Open Dockets:** Total for 2017 \$33,087.35

**2. Closed Dockets:** Total for 2017 \$27,732.81  
\$60,820.16

2018:

**Total of Open Dockets to Date:** \$7,721.00

**VII. Unfinished Business:**

**A. Update on St. Jones Landing Relocation Plan.**

**All American Capital Inc. (Maris/Lindale), 20 Edgewater Drive, Magnolia, DE**

This issue had to be tabled as Mr. Meldrum left the meeting and there was not a quorum to approve it.

**Tholl and Mustachio:** Have not yet completed applications for relocation benefits.

**Norris/Ekes:** Home was abandoned and won't be getting a title. Will probably be demolished

**B. Update on Minquadale Village and Timber Acres:**

Mr. Sutton has received a letter from Attorney Bob Valihura with a signed statement from all tenants that they agree all monies refunded would go to the HOA. They have deferred the refund amount to DEMHRA as they cannot come up with the amount. The numbers have to be presented for the HOA's approval and also must be approved by the DEMHRA Board. This matter is pending approval until the refund amount is determined. Mr. Denman suggested this be added to the agenda of the Task Force to remove any ambiguity on matters such as this. Various emails were presented but no reference in the emails to any statutory provision was referenced. There is no definition in the statute of a manufactured home community and landlord and tenant.

**C. Update on Board Members Term of Office Renewals:**

Mr. Meldrum has contacted the appointing authority and has not heard anything yet. Mr. Daly has not been notified one way or the other. No one has contacted him.

**D. Review of All American Capital (Maris/Lindale):**

We received the title and All-American Capital is listed as the lienholder. This issue had to be tabled as Mr. Meldrum left the meeting and there was not a quorum to approve it. Mr. Denman suggested that if anyone must leave a meeting early, they should notify the members so that the agenda can be modified to be sure all matters requiring a quorum can be voted on. This way no applications will be held up.

**E. Norris/Ekes:** Home was abandoned and won't be getting a title. Will probably be demolished

**VIII. New Business:**

**A. Applications for Relocation Assistance**

There were no new applications voted on because there was no quorum present.

**B. Letter to Superior Court for Dockets 7 & 8 2016 (Plaintiff Briefs)**

Mr. Sutton sent documents to the Superior Court after the fact.

**C. Update of Right of First Offer (Sale of Parks)**

Mr. Sutton will try to contact Mr. Silicato from Pom Run to find out who bought the community and what date of purchase. Mr. Silicato has not returned numerous phone calls. Magnolia Crossing was sold on 6/30/18 and was purchased by Clear Trail Real Estate from Richmond, Virginia

**D. Manufactured Housing Workshops**

These workshops are scheduled for the last three (3) Mondays in October, one in each county. Mr. Sutton will be attending the ones in Kent and Sussex Counties.

**E. Email from Lillian Reynolds:**

Ms. Reynolds expressed concerns that arbitrators are failing due to a lack of training. Mr. Morton agrees with her and this was previously discussed under "Arbitration Matters." Mr. Carroll will respond to Ms. Reynolds and inform her we will be developing specific training for the arbitrators and that no one votes on matters in which they have a personal interest.

**F. Community Owner Annual Registration**

There were 185 registration letters sent. 96 were returned so far, leaving 89 outstanding.

**G. Beth's Last Meeting**

Ms. McGinn has given notice of her intention not to serve past her designated term of office. She will attend the 10/18/18 meeting.

**H. CPI-U Update**

Mr. Strine requested the raw data of how the CPI-U is calculated. After he reviews the data, he will present his findings and discuss any concerns he may have.

**I. Book & Associates Engagement Letter**

This is an annual requirement and must be signed by Mr. Carroll. Mr. Dunn made a motion to approve which was seconded by Mr. Strine. All were in favor and the motion carried 3:0:2 with two in absentia.

**J. Action Items**

Some are generated by the Board, others by phone call, etc. Mr. Dunn suggested developing a spreadsheet where numbers can be put into a table for better evaluation.

**IX. Public Comments:** Mr. Kinnick stated this meeting gave him good information to present to the Task Force. He will do research on relocation costs charged by movers to see if it is justified to raise the amount they are allowed. New relocations must hold movers accountable. Glasgow Court has 49 owners that have not yet received the occupancy permit from homes moved in 2016 and now the County is going after the home owners. Something must be done.

**X. Executive Session:** By motion made and duly seconded the Board went into Executive Session to discuss arbitrations and any pending litigation for the purpose of receiving legal advice pertaining to such matters. The Board went into Executive Session at 2:47 p.m.

## **XI. Next Meeting Date – Adjournment**

The Board set the next meeting date as October 18, 2018 at 1:30 p.m.

Mr. Dunn made a motion to adjourn the meeting. Mr. Strine seconded the motion. The motion passed 3:0:2 with two in absentia. As there was nothing further to discuss, the Board adjourned at 2:56 p.m.

Respectfully submitted,

Gregg Sutton  
Executive Director